

AN ACT concerning health.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 1. Short title. This Act may be cited as the Housing is Recovery Pilot Program Act.

Section 3. Definitions. As used in this Act:

"Individual at high risk of unnecessary institutionalization" means a person who has a serious mental illness who is homeless (or will be homeless upon hospital discharge or correctional facility release) and who has had:

(1) three or more psychiatric inpatient hospital admissions within the most recent 12-month period;

(2) three or more stays in a State or county correctional facility in the State of Illinois within the most recent 12-month period; or

(3) a disability determination due to a serious mental illness and has been incarcerated in a State or county correctional facility in Illinois for the most recent 12 consecutive months.

"Individual at high risk of overdose" means a person with a substance use disorder who is homeless (or will be homeless upon hospital discharge or correctional facility release) who has had:

(A) three or more hospital inpatient or inpatient detoxification admissions for a substance use disorder within the most recent 12-month period;

(B) three or more stays in a State or county correctional facility in the State of Illinois within the most recent 12-month period; or

(C) one or more drug overdoses in the last 12 months.

"Engagement services" means home-based or community-based visits that assist the individual with maintaining his or her housing, and providing other wrap-around support, including linkage to mental health or substance use recovery support services. Such engagement services shall align with Medicaid-covered tenancy support services, and Medicaid community-based mental health and substance use treatment services, including case management, to ensure alignment with any existing or future Illinois Medicaid benefits, waivers or State plan amendments that include these services, and to maximize any potential federal Medicaid matching dollars that may be available to support engagement services.

"Homeless" means the definition used by the U.S. Department of Health and Human Services, Health Resources and Services Administration in Section 330(h)(5)(A) of the Public Health Services Act (42 U.S.C. 254(b)). Under Section 330(h)(5)(A), a homeless individual is an individual who lacks housing (without regard to whether the individual is a member of a family), including an individual whose primary residence

during the night is a supervised public or private facility that provides temporary living accommodations, and an individual who is a resident in transitional housing. This includes individuals who are doubled up with other households.

"Serious mental illness" means meeting both the diagnostic and functioning criteria consistent with the definition of Serious Mental Illness in the most current edition of the Illinois Department of Human Services/Division of Mental Health Community Mental Health Provider Manual.

"Substance use disorder" as defined in Section 1-10 of the Substance Use Disorder Act.

Section 5. Establishment of program. Subject to appropriation, the Housing is Recovery pilot program shall be established and administered by the Department of Human Services, Division of Mental Health. The purpose of the program is to prevent a person with a serious mental illness who is at high risk of unnecessary institutionalization, or a person with a substance use disorder who is at high risk of overdose, due to homelessness, a lack of access to recovery support services, and repeating cycles of hospitalizations or justice system involvement from being institutionalized or dying. This will be accomplished by enabling affordable housing through the use of a bridge rental subsidy combined with access to recovery support services or treatment. The triple aim of Housing is Recovery is:

- (1) preventing institutionalization and overdose deaths;
- (2) improving health outcomes and access to recovery support services; and
- (3) reducing State costs.

Section 10. Eligibility. An individual meeting the requirements listed in this Section shall be eligible to receive a Housing is Recovery bridge rental subsidy for purposes of stabilizing his or her mental illness or substance use disorder.

(1) An individual at high risk of unnecessary institutionalization who is 21 years of age or older, or is aging out of guardianship under the Department of Children and Family Services, and who is eligible to enroll in, or is enrolled in, Medicaid for purposes of receiving mental health treatment pursuant to 89 Ill. Adm. Code 140.

(2) An individual at high risk of overdose who is 21 years of age or older, or is aging out of guardianship under the Department of Children and Family Services, and who is eligible to enroll in, or is enrolled in, Medicaid for purposes of receiving substance use treatment.

Section 15. Housing is Recovery bridge rental subsidy. A bridge rental subsidy received by an individual (the "subsidy

holder") pursuant to this Act shall mirror the subsidies issued by the Department of Human Services, Division of Mental Health through the Moving On Program. The rental subsidy shall be for scattered-site rental units owned by a landlord or for rental units secured through a master lease. The rental subsidy shall assist the subsidy holder with monthly rental payments for rent that does not exceed the Fair Market Rent published annually for that year by the U.S. Department of Housing and Urban Development. The Department of Human Services, Division of Mental Health, shall have the discretion to allow a subsidy to apply to rent up to 120% of the Fair Market Rent if this is justified by the lack of available affordable housing in the local housing market. Community Mental Health Centers certified pursuant to 59 Ill. Adm. Code 132 or supported housing service providers participating in this pilot program shall be responsible for assisting the subsidy holder with maintaining his or her housing that is supported by the bridge rental subsidy and either providing or coordinating engagement services with a mental health or substance use treatment provider.

(1) The subsidy holder shall be responsible for contributing 30% of his or her income toward the cost of rent (zero income does not preclude participation).

(2) The subsidy holder must agree to sign a lease with a landlord or a sublease agreement with the Community Mental Health Center or the housing services provider that

has a master lease for the rental unit and agree to engagement services initiated by the supported housing provider, the Community Mental Health Center or contracted mental health or substance use treatment provider at least 2 times a month, with at least one of those visits being a home visit. The engagement services shall be permitted in a home-based or community-based setting, and do not require a clinic visit.

(3) A goal of this program is to encourage the subsidy holder to engage in mental health and substance use recovery support services or treatment when the individual is ready. However, this is a Housing First model that does not require abstinence from substance or alcohol use and does not require mental health or substance use treatment.

(4) If a subsidy holder does not have an income due to a psychiatric disability, he or she shall be offered the opportunity for assistance with filing a "SOAR application" (Supplemental Security Income (SSI)/Social Security Disability Income (SSDI), Outreach, Access and Recovery application) by the Community Mental Health Center participating in the Housing is Recovery program that is providing his or her mental health support or treatment within 6 months of the initiation of mental health services. If the subsidy holder is only receiving housing support services, the housing services provider must partner with a Community Mental Health Center to do

SOAR applications for individuals who elect to apply for a psychiatric disability. A subsidy holder is not required to apply for a disability determination.

(5) The subsidy holder, if he or she is eligible, must apply for rental assistance or housing through the appropriate Public Housing Authority within 6 months of receiving a Housing is Recovery bridge rental subsidy or agree to apply when it is permissible to do so, and also be placed on the Illinois Housing Development Authority's Statewide Referral Network.

Section 20. Identification and referral of eligible individuals prior to hospital discharge or correctional facility release for purposes of rapid housing post discharge/release and illness stability. The pilot program is intended to enable affordable housing to avoid institutionalization or overdose death by providing for connection to housing through a variety of settings, including in hospitals, county jails, prisons, homeless shelters and inpatient detoxification facilities and the referral process established must take this into account. Within 2 months of the effective date of this Act, the Department of Human Services, Division of Mental Health, in partnership with the Department of Healthcare and Family Services and the Department of Human Services, Division of Substance Use Prevention and Recovery (SUPR), the Department of Corrections,

and with meaningful stakeholder input through a working group of Community Mental Health Centers, homeless service providers, substance use treatment providers, hospitals with inpatient psychiatric units or detoxification units, representatives from county jails, persons with lived experience, and family support organizations, shall develop a process for identifying and referring eligible individuals for the Housing is Recovery program prior to hospital discharge or correctional system release, or other appropriate place for referral, including homeless shelters. The process developed shall aim to enable rapid access to housing post-discharge/release to avoid unnecessary institutionalization or a return to homelessness or unstable housing. The working group shall meet at least monthly prior to development of an administrative rule or policy established to carry out the intent of this Act. The Department of Human Services, Division of Mental Health, shall explore ways to collaborate with the U.S. Department of Housing and Urban Development's Coordinated Entry System and other ways for electronic referral. The Department of Human Services, Division of Mental Health, and the Department of Healthcare and Family Services shall collaborate to ensure that the referral process aligns with any existing or future Medicaid waivers or State plan amendments for tenancy support services.

Section 25. Participating Community Mental Health Centers

and housing service provider responsibilities for locating and transitioning the individual into housing, assisting in retaining housing, and the provision of engagement and recovery support services. The Department of Human Services, Division of Mental Health, shall select interested Community Mental Health Centers that are certified pursuant to 59 Ill. Adm. Code 132 and interested housing service providers for participation in the Housing is Recovery program.

(1) For purposes of incentivizing continuity of care, the same participating Community Mental Health Center may be responsible for providing both the housing support and the mental health or substance use engagement, recovery support services and treatment to a subsidy holder. If a housing support services provider does not also provide the mental health or substance use treatment services the individual engages in, there must be strong coordination of care between the housing services provider and the treatment provider.

(2) The provider must demonstrate that the rental units secured through this program pass minimum quality inspection standards.

(3) Community Mental Health Centers providing housing support through this program shall be responsible for any SOAR applications for a subsidy holder that has a psychiatric disability who does not have SSI or SSDI if the subsidy holder chooses to apply for disability. A

housing services provider delivering the housing support services through this program must contract with a Community Mental Health Center to provide assistance with SOAR applications to subsidy holders electing to apply for SSI or SSDI within 6 months of the subsidy holder receiving the subsidy.

(4) Service providers shall be permitted to engage in master leasing to secure apartments for those who are hard to house due to criminal backgrounds, history of substance use and stigma.

Section 30. Securing rental housing units for purposes of immediate temporary housing following hospital discharge or release from a correctional facility while a long-term rental unit is secured. Up to 20% of the available annual appropriation for the Housing is Recovery program shall be available to Community Mental Health Centers or the housing services provider for purposes of securing critical time intervention rental units to house an eligible individual immediately following discharge from a hospitalization or release from a correctional facility because locating an apartment unit for a longer-term one-year lease and the related move-in can take up to 3 months. Such temporary units may be used for immediate temporary housing, not to exceed 90 days for purposes of preventing the individual from reentering homelessness or unstable housing, or avoiding unnecessary

institutionalization. The Department of Human Services, Division of Mental Health, shall allow providers to certify that such rental units meet minimum housing quality standards and ensure a process by which community providers are able to secure vacant rental units for the purpose of immediate short-term housing post-hospital discharge or correctional system release while a longer term housing rental unit is secured.

Section 35. Basic move-in expenses. The Housing is Recovery program shall include reasonable payment for the basic move-in expenses of the subsidy holder, including, but not limited to, payment of a security deposit and other move-in fees or expenses, and basic household supplies and furnishings.

Section 40. Subsidy administration. The bridge rental subsidy administration (such as payment of rent to the landlord and other administration expenses) and quality inspection of the rental units may be done by community-based organizations with experience and expertise in housing subsidy administration and by Community Mental Health Centers that the Department of Human Services, Division of Mental Health, determines have the administrative infrastructure for subsidy administration. Such organizations shall manage and administer all aspects of the subsidy (such as payment of rent, quality

inspections) on behalf of the subsidy holder.

Section 45. Landlord education and stigma reduction plan and materials. The Department of Human Services, Division of Mental Health, with meaningful input from stakeholders, shall develop a plan for educating prospective landlords that may lease to individuals receiving a bridge rental subsidy through the Housing is Recovery program. This educational plan shall include written materials that indicate that individuals with psychiatric disabilities and substance use disorders often have criminal justice involvement due to their previously untreated mental health or substance use condition and periods of homelessness. Implementation of this plan shall be rolled out in conjunction with the implementation of the Housing is Recovery program.

Section 50. State agency coordination. The Department of Human Services, Division of Mental Health, shall partner with SUPR to ensure coordination of the services required pursuant to this Act and all substance use recovery support services and treatment for which SUPR has oversight. The Department of Human Services, Division of Mental Health, shall also work with the Department of Healthcare and Family Services to maximize all recovery support services and treatment that are or can be covered by Medicaid.

Section 55. Provider and State agency education on the pilot program. The Department of Human Services, Division of Mental Health shall put together written materials on the Housing is Recovery program and eligibility criteria for purposes of educating participating providers, county jails, the Department of Corrections, hospitals and other relevant stakeholders on the program. The Department of Human Services, Division of Mental Health, shall engage in an ongoing education effort to ensure that all stakeholders are aware of the program and how to screen for eligibility and referral.

Section 60. Reimbursement for subsidy administration, housing support and engagement services and other program costs. The Department of Human Services, Division of Mental Health shall develop a reimbursement approach for community providers doing subsidy administration that covers all costs of subsidy administration, quality inspection and other services. The Department of Human Services, Division of Mental Health shall also develop a reimbursement approach that covers all costs incurred by Community Mental Health Centers and housing services providers for identifying and securing rental units for subsidy holders, including all travel related to finding and locating an apartment and move-in of the subsidy holder, quality inspections for temporary housing units, completing and submitting SOAR applications, the costs associated with obtaining necessary documents associated with

obtaining a lease for the subsidy holder (such as obtaining a State ID); for engagement services not covered by Medicaid; and for any other reasonable and necessary costs associated with the program outlined in this Act. Reimbursement shall also include all costs associated with collecting and tracking data for purposes of program evaluation and improvement. At the discretion of the Department of Human Services, Division of Mental Health, up to 5% of the annual appropriation may be applied to growing mental health or substance use treatment or recovery support capacity if a participating provider in the Housing is Recovery program demonstrates an inability to take eligible individuals due to such capacity limitations.

Section 65. Subsidy termination. The subsidy holder shall continue to hold the subsidy until he or she receives a housing voucher or rental subsidy through a Public Housing Authority unless:

(1) The individual has a stay in a nursing home, Institution for Mental Disease (IMD) or specialized mental health rehabilitation facility (SMHRF) exceeding 6 consecutive months. During a stay in nursing home, IMD or SMHRF of less than 6 months, the program will continue to pay the subsidized portion of the rent in order to maintain the housing unit for the subsidy holder upon discharge.

(2) The individual has a stay in a correctional

facility exceeding 6 consecutive months. During a correctional facility stay of less than 6 months, the program will continue to pay the subsidized portion of the rent in order to maintain the housing unit for the subsidy holder.

(3) A subsidy does not terminate if the subsidy holder is required to move multiple times due to landlord eviction or does not engage in treatment, as the target population for this pilot program is expected to have multiple barriers to remaining housed.

Section 70. Developing public-private partnerships to expand affordable housing options for those with serious mental illnesses. The Department of Human Services, Division of Mental Health shall work with the Department of Healthcare and Family Services, Medicaid managed care organizations and hospitals across the State to develop public-private partnerships to incentivize private funding from hospitals and managed care organizations to match State dollars invested in the Housing is Recovery program for purposes of preventing repeated preventable hospitalizations, overdose deaths and unnecessary institutionalization.

Section 75. Data collection and program evaluation.

(a) For purposes of evaluating the effectiveness of the Housing is Recovery program and for making improvements to the

program, the Department of Human Services, Division of Mental Health shall contract with an independent outside research organization with expertise in housing services for individuals with serious mental illnesses and substance use disorders to evaluate the program's effectiveness on enabling housing stability, reducing hospitalizations and justice system involvement, encouraging engagement in mental health and substance use treatment, fostering employment engagement, and reducing institutionalization and overdose deaths. Such evaluation shall commence after 4 years of implementation of the program and shall be submitted to the General Assembly by the end of the fifth year of implementation. For purposes of assisting with this evaluation, the working group established pursuant to Section 20 shall also make recommendations to the Department of Human Services, Division of Mental Health, regarding what data must be tracked by providers and the Department of Human Services, Division of Mental Health, to evaluate the program and to make future changes to the program to ensure its effectiveness in meeting the triple aim stated in Section 5.

(b) Beginning after the first 12 months of implementation and on an annual basis, the Department of Human Services, Division of Mental Health, shall track and make public the following information: (1) the number of individuals receiving subsidies in reporting period (12-month average); (2) participant demographics including age, race, gender identity,

and primary language; (3) the average duration of time individuals are enrolled in the program (by months); (4) the number of individuals removed from the program and reasons for removal; (5) the number of grievances filed by participants and a summary of grievance type; and (6) program referral sources. Reports shall be generated on an annual basis and publicly posted on the Department of Human Services website.

Section 80. Act subject to appropriation. This Act is subject to appropriation. The appropriation shall be divided equally between bridge subsidies issued to individuals who are at high risk of unnecessary institutionalization and those who are at high risk of overdose.

Section 85. Rulemaking authority. Any administrative rules necessary to implement this Act shall be filed within 12 months following the effective date of this Act.

Section 99. Effective date. This Act takes effect upon becoming law.